

**Housing Element  
And  
Fair Share Plan  
Of The  
Borough of Millstone  
Somerset County,  
New Jersey**

**Adopted: December 18, 2008**

**BOROUGH OF MILLSTONE  
SOMERSET COUNTY, NEW JERSEY**

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# **Housing Element**

**Millstone Borough  
Somerset County**

**BOROUGH OF MILLSTONE, SOMERSET COUNTY  
HOUSING ELEMENT**

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BOROUGH OF MILLSTONE  
SOMERSET COUNTY

HOUSING ELEMENT

PREFACE

Millstone Borough in Somerset County is comprised of less than one square mile and is surrounded by Hillsborough Township on all sides except for that area abutting the Millstone River. The Township of Franklin is separated from the borough by the Millstone River.

Hillsborough Township was first settled around 1700 by Dutch descendents. In 1738, because of its central location, Millstone became the county seat of Somerset County. The borough remained as the county seat until 1784 when the county seat was moved to Somerville.

The period between the end of the Revolutionary War and the mid-nineteenth century was a period of growth and development in Millstone. Millstone became incorporated as a borough in 1894. However, development began to slow thereafter with a population of between 200 and 300 residents. Then, in the late 1950s and 1960s new residential construction began to occur.

According to the Fair Housing Act, a municipality's Housing Element must be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate housing. The regulations of the Council on Affordable Housing (COAH), N.J.A.C. 5:97 et seq., delineate a municipality's strategy for addressing its present and prospective housing needs, and, as such, each municipality's Housing Element must contain the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the 10 years subsequent to the adoption of the housing element, taking into account, but not necessarily limited to, construction permits issued, approvals for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including, but not limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;

5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing;
6. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing;
7. A map of all sites designated by the municipality for the production of low and moderate income housing and a listing of each site that includes its owner, acreage, lot and block;
8. The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites;
9. Copies of necessary applications for sewer service and water quality management plans submitted pursuant to Sections 201 and 208 of the Federal Clean Water Act, 33 U.S.C. §1251, et seq.;
10. A copy of the most recently adopted municipal master plan, and where required, the immediately preceding, adopted master plan;
11. For each designated site, a copy of the New Jersey Freshwater Wetlands map where available. When such maps are not available, municipalities shall provide appropriate copies of the National Wetlands Inventory maps provided by the U.S. Fish and Wildlife Service;
12. A copy of appropriate United States Geological Survey Topographic Quadrangles for designated sites; and
13. Any other documentation pertaining to the review of the municipal housing element as may be required by the Council.



## I. INVENTORY OF MILLSTONE HOUSING STOCK

### A. Age

More than one-half or 54.9 percent of the Borough's housing stock was built between 1950 and 1970. Significant residential construction occurred before 1939 when 33.9 percent of the housing stock was constructed. Millstone has a total housing stock of 171 units.

**TABLE 1**  
**Age of Housing Units**

<b><u>Dates of Construction</u></b>	<b><u>Structures</u></b>	<b><u>Percent of Total 2000</u></b>
1939 or earlier	58	33.92
1940 - 1949	5	2.92
1950 - 1959	54	31.57
1960 - 1969	40	23.39
1970 - 1979	10	5.85
1980 - 1989	4	2.34
1990 - March 2000	0	0
<b>2000 TOTAL UNITS</b>	<b>171</b>	<b>99.99*</b>

**\* Total does not equal 100.0% due to rounding**

*Source: 2000 Census of Population and Housing*

Units built before 1949 and contain 1.01 or more persons per room are highly correlated with substandard housing indicators. This is an index utilized by COAH in determining the Rehabilitation Share. In Millstone, 63 units or 36 percent of the housing stock was built before 1949. This is generally an important indicator in calculating Millstone's Rehabilitation Share. However, the minimal overcrowding and the complete kitchen and plumbing facilities explain why Millstone's Rehabilitation Share is two units.

### B. Condition

Rehabilitation share is the total deficient housing signaled by selected housing unit characteristics unique to each community. It is assumed that units so indicated will be prime candidates for rehabilitation. Characteristics indicating a need for rehabilitation are:

(1) *Persons per Room.* 1.01 or more persons per room is an index of overcrowding.

(2) *Plumbing Facilities.* Inadequate plumbing is indicated by incomplete plumbing facilities i.e. lack of hot and cold piped water, flush toilet or bathtub/shower.

- (3) *Kitchen Facilities.* Inadequate kitchen facilities are indicated by the non-presence of kitchen facilities within the unit or the non-presence of any of three components: a sink with piped water, a stove or a refrigerator.

The age of Millstone's housing stock has been presented in Table 1. Tables 2 through 4 address the above surrogates of deficient housing.

**TABLE 2**  
**Persons Per Room**

<b>Persons Per Room</b>	<b>Occupied</b>	<b>Owner Occupied</b>	<b>Renter Occupied</b>
1.01 to 1.50	0	0	0
1.51 to 2.00	0	0	3
2.01 or more	0	0	0

**TOTAL**

*Source: 2000 Census of Population and Housing*

**TABLE 3**  
**Plumbing Facilities**

	<b><u>Total Units</u></b>
Complete plumbing facilities	171
Lacking complete plumbing facilities	0

*Source: 2000 Census of Population and Housing*

**TABLE 4**  
**Kitchen Facilities**

Complete kitchen facilities	171
Lacking complete kitchen facilities	0

*Source: 2000 Census of Population and Housing*

### **C. Purchase and Rental Value**

Approximately 53 percent of the owner-occupied housing units in Millstone had values over \$200,000. The median value was \$205,400.

**TABLE 5**  
**Owner-Occupied Housing**  
**Unit Values**

	<u>Units</u>	<u>Percent</u>
Less than \$15,000	0	
\$15,000 - \$19,999	0	
\$20,000 - \$24,999	0	
\$25,000 - \$29,999	0	
\$30,000 - \$34,999	0	
\$35,000 - \$39,999	0	
\$40,000 - \$44,999	0	
\$45,000 - \$49,999	0	
\$50,000 - \$59,999	0	
\$60,000 - \$74,999	0	
\$70,000 - \$99,999	6	4.65
\$100,000 - \$124,999	7	5.43
\$125,000 - \$149,999	4	3.10
\$150,000 - \$174,999	16	12.40
\$175,000 - \$199,999	27	20.93
\$200,000 - \$249,999	42	32.56
\$250,000 - \$299,999	11	8.53
\$300,000 - \$399,999	14	10.85
\$400,000 - \$499,999	0	
\$500,000 or more	2	1.55
<b>TOTAL</b>	<b>129</b>	<b>100</b>

Median Value                      \$205,400

*Source: 2000 Census of Population and Housing*

Nine of the 20 rental units with cash rent in Millstone were rented for more than \$750 per month. The median contract rent was \$688 per month.

**TABLE 6**  
**Contract Rent Values**

<b><u>With cash rent:</u></b>	<b><u>Units</u></b>
\$0 - \$ 99	0
\$100 - \$149	0
\$150 - \$199	0
\$200 - \$249	0
\$250 - \$299	0
\$300 - \$349	0
\$350 - \$399	0
\$400 - \$449	2
\$450 - \$499	0
\$500 - \$549	0
\$550 - \$599	0
\$600 - \$649	5
\$650 - \$699	4
\$700 - \$749	0
\$750 - \$999	4
\$1,000 or more	5
Total	20
No cash rent	3
Median contract rent	\$688

*Source: 2000 U.S. Census of Population and Housing*

#### **D. Occupancy Characteristics and Types**

Eighty-four percent of the housing in Millstone is owner occupied. Approximately 13 percent of the housing stock is rental.

**TABLE 7**  
**Tenure and Vacancy**

	<b>Housing Units</b>	<b>PCT</b>
Total	171	99.8*
Occupied:		
Owner occupied	144	84.2
Renter occupied	23	13.4
Vacant:	0	0
For rent	2	1.1
For sale only	0	0
Rented or sold, not occupied	0	0
For seasonal, recreational, or occasional use	0	0
For migrant workers	0	0
Other vacant	2	1.1

\* *Does not add up due to rounding*

*Source: 2000 Census of Population and Housing*

#### **E. Units Affordable to Low and Moderate Income Households**

Units are affordable to low and moderate income households if the maximum sales price or rent is set within a COAH specified formula. A moderate income household is a household whose gross family income is more than 50 percent of median income, but less than 80 percent of median income for households of the same size within the housing region. A low income household is a household whose gross family income is equal to or less than 50 percent of median gross household income for a household of the same size within the housing region for Millstone. Millstone is in Region 3, which encompasses Middlesex, Hunterdon and Somerset counties.

Using current regional income limits adopted by COAH, a four person Somerset County median household income is estimated at \$96,700. A moderate income four person household would earn a maximum of \$77,360 (80 percent of regional median) and a four person low income household would earn a maximum of \$48,350 (50 percent of regional median).

Income levels for one, two, three and four person households as of 2008 are given below:

**TABLE 8**  
**2008 Low and Moderate Regional Incomes**

<b>Income</b>	<b>1 person</b>	<b>2 persons</b>	<b>3 persons</b>	<b>4 persons</b>
Median	\$67,690	\$77,360	\$87,030	\$96,700
Moderate	\$54,152	\$61,888	\$69,624	\$77,360
Low	\$33,845	\$38,680	\$43,515	\$48,350

*Source: COAH, 2008 Income Limits*

Based on the qualifying formula in N.J.A.C., the monthly cost of shelter which includes mortgage (principal and interest), taxes, insurance and homeowners or condominium association fees, may not exceed 28 percent of gross monthly household income based on a five percent downpayment. In addition, moderate income sales units must be available for at least three different prices and low income sales units available for at least two different prices. The maximum average sales price must now be affordable to households earning 55 percent of median income.

The maximum average rent must now be affordable to households earning 52 percent of median income. The maximum rents must be affordable to households earning no more than 60 percent of median income. In averaging 52 percent, one rent may be established for a low income unit and one rent for a moderate income unit for each bedroom distribution. The utility allowance must be consistent with the utility allowance approved by HUD and utilized in New Jersey.

Under COAH regulations, rents including utilities, may not exceed 30 percent of gross monthly income. In addition, 13 percent of all units must be affordable to households earning no more than 30 percent of median income.

Millstone currently has no low or moderate income units that are deed restricted or funded through a government program.

## **II. PROJECTION OF HOUSING STOCK**

### **A. Building Permits**

According to the New Jersey Department of Labor, Residential Building Permits Issued, no new building permits were issued in Millstone between 1990 and 1999. Between 2000 and August 2008, there was one new building permit issued in 2007.

### **B. Future Construction of Low and Moderate Income Housing**

Millstone will address the future construction of low and moderate income housing in the Fair Share Plan.

## **III. DEMOGRAPHIC CHARACTERISTICS**

### **A. Population**

The population in Millstone decreased by nine percent between 1990 and 2000. Table 9 illustrates the figures.

**TABLE 9**  
**Population**

<b>Year</b>	<b>Population</b>
1990	462
2000	410

*Sources: 1990 and 2000 Census of Population and Housing*

**TABLE 10**  
**Population Characteristics**

**SELECTED POPULATION CHARACTERISTICS FOR MILLSTONE BOROUGH**

	<b><u>Number</u></b>	<b><u>Percentage</u></b>
<b><u>TOTAL POPULATION</u></b>	410	99.8
<b><u>SEX</u></b>		
Male	204	
Female	206	
<b><u>AGE</u></b>		
Under 5 years	17	4.1
5 to 17 years	62	15.0
18 to 20 years	4	2.0
21 to 24 years	9	2.2
25 to 44 years	104	25.4
45 to 54 years	79	19.3
55 to 59 years	33	8.0
60 to 64 years	28	6.8
65 to 74 years	35	8.5
75 to 84 years	25	6.1
85 years and over	10	2.4

*Source:* 2000 Census of Population and Housing

**B. Household Size and Type**

A household profile of Millstone shows that there were 164 households with a total household population of 410 in 2000. The average number of persons per household was 2.50.

**TABLE 11**  
**Household Profile 2000**

	<b><u>Total Number</u></b>
Households	164
Population of households	410
Persons per household	2.50

*Source:* 2000 Census of Population and Housing



**TABLE 12**  
**Household Type and Relationship**

In family households:	377
householder:	131
male	102
female	29
spouse	101
child:	125
natural-born/adopt	123
step	2
grandchild	4
other relatives	13
non-relatives	7
 In non-family households:	 40
householder living alone	23
householder not alone	10
non-relatives	7
 In group quarters	 0
institutionalized persons	0
other persons in group quarters	0

*Source: 2000 Census of Population and Housing*

**TABLE 13**  
**Type of Housing Units by Structure**

<b>Units in Structure</b>	<b>Total Units</b>	<b>PCT</b>
1, detached	144	84.2
1, attached	0	0
2	18	10.5
3 or 4	9	5.3
5 to 9	0	0
10 to 19	0	0
20 to 49	0	0
50 or more	0	0
Mobile home or trailer	0	0
Other	5	2.9
 TOTAL	 171	 100

*Source: 2000 Census of Population and Housing*

### C. Income Level

Approximately, 50 percent of the households in Millstone earn between \$60,000 and \$149,000 according to the 2000 census.

**TABLE 14**  
**Borough Of Millstone Household Income**

<b><u>Household Income</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
\$0 - 9,999	11	6.7
\$10,000-\$14,999	2	1.2
\$15,000-\$19,999	4	2.4
\$20,000-\$24,999	11	6.7
\$25,000-\$29,999	4	2.4
\$30,000-\$34,999	4	2.4
\$35,000-\$39,999	9	5.5
\$40,000-\$44,999	6	3.7
\$45,000-\$49,999	0	0
\$50,000-\$59,999	14	8.5
\$60,000-\$99,999	53	32.3
\$100,000-\$149,999	29	17.7
\$150,000 and over	17	10.4
Total Households	164	99.9*

Median Household Income    \$76,353

*\* Does not add up due to rounding*

*Source: 2000 Census of Population and Housing*

### D. Age

The age of the Millstone population has been discussed under Section III, Demographic Characteristics, A. Population.

### E. Marital Status

In 2000, there were 18 more women than men over the age of 15 years in Millstone. There were 13 more males that never married. There were more widows than widowers and more divorced females than males. In addition, the total number of females widowed was 89 percent of the total widowed population.

**TABLE 15**  
**Sex by Marital Status - Persons 15 Years and over**

Marital Status	Total	Male	Female
Total	342	162	180
Never Married	81	47	34
Now Married	217	109	108
Separated	9	4	5
Widowed	19	2	17
Divorced	25	4	21

*Source: 2000 Census of Population and Housing*

#### **IV. EXISTING AND PROBABLE FUTURE EMPLOYMENT CHARACTERISTICS**

Of the 240 Millstone residents employed in the civilian labor force, 71 percent are in educational, health and social service occupations and construction, manufacturing, wholesale trade, retail trade and transportation fields.

**TABLE 16**  
**Occupation**  
**Employed Persons 16 Years and Over**

Construction, manufacturing, wholesale trade, retail trade, transportation	98
Information	11
Arts, entertainment, recreation, accommodation and food services	25
Professional, scientific and technical services	25
Educational, health and social services	73
Public administration	8
Total	240

*Source: 2000 U.S. Census of Population and Housing*

As to future employment activity within Millstone, there may be minimal in the future.

According to the New Jersey State Data Center, Millstone had a covered employment number of 14 in 2003.

There were no average units or annual average and wage information available by sector for Millstone Borough. The only data available for Millstone Borough concerning employment within Millstone is the following:

	<u><b>AVG UNITS</b></u>	<u><b>AVERAGE</b></u>
PRIVATE SECTOR MUNICIPALITY TOTAL	12	130
LOCAL GOVERNMENT MUNICIPALITY TOTAL	2	6

Source: New Jersey Employment and Wages, 2003 Annual Report

If commercial development takes place along the Rezem tract adjacent to Route 514 within the next five years, then the employment outlook within Millstone is positive. There could be an additional 144 employees. This is the only new employment trend for Millstone Borough.

## **V. TOTAL OBLIGATION FOR REHABILITATION AND THE PRIOR ROUNDS**

### **A. Rehabilitation Share**

Millstone's Rehabilitation Share is two units.

### **B. Prior Round Obligation**

Millstone's Prior Round obligation is 21 units.

## **VI. GROWTH SHARE OBLIGATION**

Millstone accepts the household and employment projections in Appendix F of COAH's rules. Millstone accepts a four unit growth share obligation based on a 14 unit household and a 12 unit employment projection.

## **VII. PLAN ENDORSEMENT**

On September 18, 2007 the Office of Smart Growth hosted Millstone's Pre-petition Meeting for the Millstone Borough Plan Endorsement at the Department of Community Affairs in Trenton. On April 21, 2008 the Millstone Borough Council established a Plan Endorsement Citizen's Advisory Committee consisting of five members. On October 21, 2008 the Millstone Borough Council adopted the Plan Endorsement Report as presented by the Plan Endorsement Citizen's Advisory Committee and authorized submitting the Plan Endorsement Assessment Report to the Office of Smart Growth. Upon receipt of all of the required certified documentation

indicating the proper advertisement and copies of the necessary resolutions from the Borough Clerk, Millstone learned from the Office of Smart Growth that the meetings were not properly advertised per their specific standards. Therefore the Borough will be readvertising and holding a formal meeting on December 18, 2008 to reaffirm the Plan Endorsement Citizen's Advisory Committee, readopt the Plan Endorsement Report as it will be represented by the Plan Endorsement Citizen's Advisory Committee, and reauthorize submitting the Plan Endorsement Assessment Report to the Office of Smart Growth.

## **VII. ANALYSIS OF EXISTING AND FUTURE ZONING TO ACCOMMODATE GROWTH PROJECTIONS**

Millstone will enact the appropriate zoning to accommodate the growth projections for Millstone.

### **A. Availability of Existing and Planned Infrastructure**

Millstone does not have public sewers to date but the borough has entered into an agreement with Hillsborough Township to prepare an amendment to the 208 sewer service area plan and that amendment has been submitted to Somerset County. It includes the portions of the Rezem tract that have been zoned for development and the Van Cleef tract. The borough and Van Cleef have also entered into a sewer agreement with Hillsborough Township. Both Rezem and Van Cleef would provide their own sewer. Most of the homes and businesses in Millstone are served by the American Water Company. A small percentage of residences is served by private wells.

### **B. Anticipated Demand for Types of Uses Permitted by Zoning Based on Present and Anticipated Future Demographic Patterns.**

Millstone has entered into one Mediation Agreement with Rezem and is negotiating a second that will provide market rate and affordable, senior and handicapped housing in Millstone together with market rate and affordable apartments. As a result, there are anticipated uses and future demographic patterns expected. The zoning agreed to for the Rezem tract has been ordinances. Rezem's attorney has submitted a letter purporting to terminate its Mediation Agreement.

### **C. Anticipated Land Use Patterns**

There will be land use changes in Millstone. These anticipated land uses will accommodate a range of new housing types that have not been seen in Millstone during the last 18 years.

### **D. Economic Development Policies**

There are no known economic development policies at this time.

### **E. Constraints on Development**

1. State and federal regulations: Millstone Borough is not in the Highlands area.
2. Land ownership patterns: The majority of the land in the borough is either residential or agricultural. Properties assessed as commercial uses make up only one percent of the acreage. Approximately 88 percent of the 169 occupied housing units are owner-occupied while 12 percent are rentals.

3. Incompatible land uses: There are no known incompatible land uses.
4. Sites needing remediation: There are no known sites needing remediation.
5. Environmental Constraints: The Millstone River and its minor tributaries have an established flood plain. Wetlands were delineated along various stream corridors and along low lying areas abutting the Millstone River. In addition, Millstone has no public sewer system but is contemplating one.
6. Existing or planned measures to address any constraints: As stated above, the developers are involved in bringing a sewer system into the borough via the Hillsborough system.

# **FAIR SHARE PLAN**

Millstone Borough  
Somerset County



## **I. PREFACE**

A municipality's affordable housing obligation is cumulative and includes affordable housing need for the period 1987 to 2018. The affordable housing obligation consists of three components:

- Rehabilitation Share (2000)
- Prior Round Obligation (1987-1999)
- Growth Share (2000-2018)

A municipality's Rehabilitation Share is a measure of old, crowded, deficient housing that is occupied by low- and moderate-income households. Rehabilitation Share numbers from each prior round are replaced with the latest round number because the numbers are updated with each decennial census.

Rehabilitation credits cannot exceed the Rehabilitation Share and can only be credited against the rehabilitation component, not the new construction component.

The prior round obligation is the municipal new construction obligation from 1987 to 1999. All municipalities participating in the COAH process must use these figures. COAH continues to offer credits, reductions, and adjustments that may be applied against the Prior Round obligation (1987-1999) for affordable housing activity undertaken from 1980 to 1999.

## **II. REHABILITATION SHARE**

The purpose of a rehabilitation program is to renovate deficient housing units. Deficient housing units are defined as units with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing, (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems. Upon rehabilitation, the housing deficiencies must be corrected and the unit must comply with the applicable code standard.

**Millstone has a Rehabilitation Share of two units.**

## **III. PRIOR ROUND OBLIGATION**

Millstone filed an adopted Housing Element and Fair Share Plan on November 22, 2002 and petitioned COAH on November 18, 2003. Subsequent to the filing of the plan, Millstone Borough was sued for exclusionary zoning. The matter was transferred to COAH and Millstone entered into mediation with both the litigant, Van Cleef Family Limited Partnership (Van Cleef) and the owner of the site in Millstone's adopted plan, the Rezem Family Trust (Rezem). From July 12, 2004, when mediation began, until now, there have been on going discussions that resulted in one Mediation Agreement with Rezem.

COAH has determined that Millstone Borough's Prior Round obligation is 21 units. With a Rehabilitation Share of two units, Millstone Borough has a pre-credited need of 23 units.

**A. Rental Obligation and Rental Bonuses**

The rental component is calculated as follows:

.25 (pre-credited need-prior cycle credits-rehabilitation component)

.25 (23-0-2)

.25 (21) = 5.25

Therefore, Millstone Borough has a rental obligation of six units.

The maximum number of units for which a municipality may receive rental bonuses is also calculated in the formula above. One bonus is granted for non-age restricted rental units and a 0.33 bonus is granted for age-restricted units.

**B. Maximum Age-restricted Units.**

A municipality may receive credit for age-restricted units according to the following formula:

.25 (pre-credited need-prior cycle credits-rehabilitation credits)

.25 (23-0-0)

.25 (23) = 5.75

Based on this formula, Millstone Borough is eligible to age-restrict five units for COAH credit.

**C. Implementation**

**Van Cleef Site**

There is a site, known as the Van Cleef site, that is currently zoned R-2 (Block 8, Lot 3). The site contains approximately 31+ acres.

COAH should be aware that the owner of the Van Cleef site also acquired an adjacent site known as the Nori property (Block 8, Lot 2) which is approximately 6+ acres. Both sites have been combined as one inclusionary zone (Block 8, Lot 1) and total 38.5833 acres. Both sites are surrounded by single family developments in Millstone and Hillsborough. There is street access from Amwell Road, north of the stream and from Amsterdam Road, south of the stream. The owners of the sites are the Van Cleef Family Limited Partnership and Riverside III LLC, both at 339A Amwell Road, Hillsborough, NJ 08844.

The Van Cleef property owner is in negotiations with Millstone to rezone both properties as an inclusionary site. The proposal is for a total of 106 units in Millstone across from Amsterdam

Road in Hillsborough Township of which 20 would be affordable. There will be a proposed form of zoning creating a new zone. The zoning will require a total of 27 credits for affordable housing, on-site. The proposed zoning is in the Appendices.

The new site will address the entire Prior Round obligation of 23 units. To address the Prior Round obligation, the site will provide 10 family rental units that will generate six rental bonuses and permit five age-restricted for sale units. The balance of the 23 units will be two non-senior for sale units.

There is a stream corridor with wetlands and buffers. There is a Delaware and Raritan Canal Commission buffer around the stream. However, the stream is not a C-1 classification. There are no steep slopes and no critically environmental areas. The site is neither a historic / architecturally important site nor a contaminated site. There is sufficient buildable acreage for the proposed housing.

Once a settlement is reached, the development will be in compliance with N.J.A.C. 5:97-9 and UHAC. There will also be progress points for coordination with Millstone's Municipal Housing Liaison.

Currently there are no sewers to the site. Proposed sewers will be built after Millstone is in an approved sewer service area. Somerset County is applying to the New Jersey Department of Environmental Protection (DEP) as part of an update of the Somerset County plan, in cooperation with Hillsborough Township, to bring sewer to Millstone, including the site.

There is also an agreement between Van Cleef, Hillsborough Township and the borough regarding the system that will serve the Van Cleef property.

The current 208 plan shows that no sewers are planned for the borough. However, as mentioned above, Somerset County is in the process of submitting a waste water management plan amendment to DEP. In addition, Millstone is seeking a Town Center designation for all of the borough through a Plan Endorsement Petition to enhance DEP approval of the plan amendment.

As a result, Millstone Borough is requesting a durational adjustment as per N.J.A.C. 5:97-5.4.

## ***1. Planning Area***

Millstone is in Planning Area (PA) 3 of the State Development and Redevelopment Plan (SDRP) that was adopted on March 1, 2001. PA 3 is described as the "Fringe" Planning Area in that it is predominately a rural landscape that is not prime agricultural or environmentally sensitive land.

N.J.A.C. 5:97-3.13 (b) 1.and 2.only exempts sites in PA1 and 2 from center designation, N.J.A.C. 5:97-3.13 (b) 2.2 provides that sites located in PA 3,4, 4B, 5 or 5B that are not in a center must demonstrate that the sites are consistent with sound planning principles and the goals, policies and objectives of the SDRP.

The Van Cleef site is consistent with sound planning principles and the SDRP goals, policies and objectives. It is contiguous to a developed portion of the borough and will be designed consistent with traditional neighborhood development principles, thus harmonizing with and reinforcing the borough's historic character. An abutting Hillsborough neighborhood is suburban in character and is classified PA2. Development in a rural pattern would thus be inconsistent with the character of the adjacent areas of both Millstone and Hillsborough.

## **2. Water**

Approximately 44 percent of the homes and business in the borough are served by the American Water Company. Discussions will take place with American Water Company for the provision of water to this site.

## **3. Prior Round Obligation Plan**

The Van Cleef site will address Millstone's Rehabilitation share and its Prior Round obligation of 23 units.

<i><b>Project</b></i>	<i><b>Number</b></i>	<i><b>Type</b></i>
Van Cleef	10	Family Rentals*
Van Cleef	6	Rental Bonuses
Van Cleef	5	Age- Restricted For Sale
Van Cleef	2	Non-Age-Restricted For Sale
<b>TOTAL</b>	23	

\* A PILOT will be provided for the affordable family rental units.

## **IV. GROWTH SHARE OBLIGATION**

The Fair Share Plan includes the projects and strategies to address an affordable housing obligation and any municipal ordinance in draft form that a municipality is required to adopt as a requirement of certification. The Fair Share Plan is based upon the municipal fair share obligation. The planning board adopts the Fair Share Plan and it is endorsed by the governing body prior to the petition for substantive certification. The proposed implementing ordinances may be adopted prior to substantive certification but in any event must be adopted no later than 45 days after COAH grants substantive certification.

The Fair Share Plan consists of a proposal on how a municipality intends to provide for its affordable housing obligation. Once certified, the plan will be monitored by COAH to verify that the construction or provision of affordable housing is in proportion to the actual residential growth and employment growth.

### **A. Implementation**

COAH has given Millstone a four-unit Growth Share obligation.

With a four unit Growth Share obligation, Millstone has a one-unit rental obligation and may age-restrict one unit.

## 1. Van Cleef Site

COAH issued a Guidance Letter on October 30, 2008 that impacts the Growth Share obligation on the Van Cleef site. The entire Guidance Letter is in the Appendices. However, the relevant section is included below:

“In order to provide increased incentives to both developers and municipalities to create affordable housing through inclusionary development and ensure the economic feasibility of the inclusionary developments now required by the statute, COAH will permit any additional market-rate units that result from a rezoning to permit increased density to accommodate affordable housing to be exempted from the actual growth share obligation. In such circumstances, provided the affordable set-aside complies with COAH’s standards, the increased density provided in an inclusionary zone would not generate a growth share obligation. Only the base density before the rezoning would generate a growth share obligation.

Example: A site in Planning Area 2 that does not include affordable housing permits four dwelling units per acre. The municipality rezones the site using COAH’s presumptive density of six dwelling units per acre for Planning Area 2 an increase of two dwelling units per acre. The four dwelling units per acre would generate a growth share obligation but the additional two dwellings per acre would not.”

The Van Cleef site is currently zoned R-2, two acre zoning. The site contains 38 acres of which 26 acres are developable. At two units per acre, the site would yield 13 units which would generate a 2.6 or three unit Growth Share obligation.

Millstone is relying upon the Guidance Letter for determining the Growth Share obligation generated on the Van Cleef site because the site will be rezoned as an inclusionary site. As such, Van Cleef will address the four unit Growth Share obligation on-site.

The Growth Share obligation on the Van Cleef site will be addressed with one senior for sale unit and two family rentals that will generate one rental bonus.

All told, the Van Cleef site will contain 12 family rentals, six age-restricted for sale units, two non-age-restricted for sale units.

## 2. Rezem Site

The owners of the Rezem tract have an executed Mediation Agreement with Millstone Borough. Located at the corners of Route 514 and County Courthouse Road (Block 1.02, Lots 1, 7 and 7.01 and Block 1.01, Lot 1), the tract contains approximately 67.17 acres. According to the Mediation Agreement, 16.92 will be developed with a traditional neighborhood village and an additional 3.8 acres will be developed with retail, apartments and offices. The balance of the

tract, 46.45 acres, is to become open space and used as a heritage park. The previous zoning was Light Industrial L 1-10 and the site was rezoned to Mandatory Mixed Use Cluster. The rezoning ordinance was previously filed with COAH and requires that the Growth Share obligation be addressed on-site.

However, since the signing of the Agreement, Rezem has elected to terminate the Agreement and has filed suit in Federal Court. Until the lawsuit is resolved, low and moderate income units from the Rezem tract are unknown at this time.